



“**THIS** plan represents a huge step forward for St. Paul in many ways. For the first time in my memory, St. Paul will have a roadmap which recognizes the importance of the arts and entertainment as an economic and business engine for the City. If we don’t do this, it would be huge missed opportunity for the entire City, and especially downtown. This is something St. Paul does well and can do even better.”

Richard Zehring
President, MSP Commercial

A *Vision* FOR THE FUTURE: **SAINT PAUL** IN 2014

Imagine a Saint Paul that has become the Upper Midwest's leading center for Arts, Culture and Entertainment. Imagine a place with an Arts, Culture and Entertainment (ACE) industry that "defines" the community by creating a sense of place and a unique character for the city. Imagine a place where the ACE sector generates significant economic impact that benefits residents and businesses throughout the city. Imagine a place where the ACE sector provides fun, entertainment, and education for residents of Saint Paul and people from all over Minnesota.



It's a place where the Ordway Center continues to attract top Broadway shows and acts that appeal to wide audiences. Where the Saint Paul Chamber Orchestra and Minnesota Opera draw people from across the region for acclaimed performances. Where the neighboring Xcel Energy Center maintains its status as the area's premier venue for athletics, concerts and family shows. Where the Science Museum and Children's Museum remain top attractions, bringing families and school groups from all parts of the state. Where the Fitzgerald Theater celebrates its fourth decade as home to the renowned "Prairie Home Companion."

It's a place where, smaller and mid-sized theater companies such as Penumbra, Park Square, the History Theater, the Actors Theater, Gremlin Theater, Starting Gate, the Showboat and others throughout the downtown theater district are thriving, presenting diverse and eclectic performances that provoke discussion and thought. A place where the painters, sculptors and other artists down in Lowertown continue to create original and fascinating pieces.

It's a place where restaurants and other retail businesses in the entertainment district swell with patrons year-round. Where, during the fall and winter, Wild fans revel in the festive atmosphere before and after games. Where in March, high school letter jackets are everywhere as thousands come from all over Minnesota for the state tournaments. It's a place where the NCAA, WCHA and Stanley Cup playoffs are decided.





Imagine spring and summer evenings with music lovers of all types flocking to downtown. Where West Seventh is crawling with teens and twenty-somethings who scored tickets to a concert at Roy Wilkins Auditorium or the Xcel Energy Center. Where baby boom rock n' rollers are enjoying a more casual evening before seeing Springsteen or McCartney do their thing one more time. Where classical and opera fans dine at fine restaurants before the show. Where young hipsters wait for all of these people to clear out before they take over the scene in downtown's thriving night spots.

Imagine a holiday season with true magic as families share new traditions. Where families take trips to the museum followed by trips to the theater followed by a special dinner at a favorite restaurant. Where parents and children alike wander through Rice Park in awe of holiday lights.

"THROUGH its annual STAR Cultural Grants and other initiatives, the City of St. Paul has long been a national leader in recognizing the critical role played by the arts in fostering cultural and economic development. St. Paul is taking concrete steps to make real for future generations its vision of a diverse, inclusive and vibrant cultural life for our community"

David M. Galligan
President and CEO
Ordway Center for the Performing Arts



Imagine a city where neighborhoods are also vital centers of arts and culture. Where art galleries, coffee houses, ethnic restaurants and other small businesses renovate and reuse beautiful old buildings along Payne Avenue, Seventh Street, Selby Avenue, Concord Street, Como Avenue, Rice Street and Grand Avenue. Where every weekend from Cinco de Mayo to the Harvest Festival, there is a street fair that highlights a different neighborhood and a different culture.

Imagine a city that has become the leading fine arts educational center in the Upper Midwest. Where increased cooperation between colleges and the public schools have created outstanding programs that will spark an interest in the next Scott Fitzgerald or August Wilson. Where the Saint Paul Conservatory for Performing Artists is open and is filled with 300 of the best artistic students from Saint Paul and throughout the region. Where these students are busy learning to be the next generation of leaders for Saint Paul's arts and cultural institutions.

Imagine a city that continues to attract residents, investment and excitement. It's a place where people want to live, work and play. It's a place where people are grateful for the legacy left them by the civic leaders who created the vision in 2004.

Introduction:

WHY THE FUTURE OF ARTS, CULTURE AND ENTERTAINMENT IS IMPORTANT TO SAINT PAUL

The strong and vibrant urban centers of today are defined by their cultural amenities. Cities throughout the country that once thrived as transportation hubs or as centers of shipping and commerce have reinvented themselves as centers for arts, entertainment and culture. They have done this to compete for jobs, industry and residents in regional economies where transportation, land costs and tax incentives favor suburban and exurban development.

Fortunately, core cities have much to offer that competing suburbs do not: outstanding and diverse architecture, entertainment options for people of all ages, museums and art galleries, small independent restaurants and other businesses, as well as ethnic and cultural diversity. These unique characteristics are what make a city like Saint Paul special and encourage people to live, work and spend their money here.

This is already becoming true of Saint Paul today. When thinking of Saint Paul, how many people would think of Rice Park, the Ordway, the Xcel Center, the Science Museum or the Children's Museum? Those who enjoy a more intimate relationship with the City might identify the Penumbra and Park Square Theaters, the Artists' Quarter or a favorite neighborhood festival.

Over the past decade, Saint Paul has made many significant investments to create strong cultural amenities.

New facilities have been built, including the Xcel Energy Center, the RiverCentre, the Harriet Island bandshell, the new Minnesota Public Radio headquarters and the new Science and Children's Museums.

The Cultural STAR Program has distributed over \$10.3 million to arts and cultural organizations in its nine-year existence (1).

Cultural STAR funds have been used to build new jazz clubs, restaurants, theater venues, a showboat, public sculpture and many other projects. The funds have also been used to help support such traditional stalwarts as the Ordway Center, Saint Paul Chamber Orchestra and Penumbra Theater.

Saint Paul's investments have paid off. **Arts, culture and entertainment activity – the “ACE sector” – attracts more than 5.6 million people to Saint Paul each year and add over \$623 million to Saint Paul's economy (2).**

Downtown ACE sector groups attract 85 to 90 percent of their audiences from outside of Saint Paul, meaning that most of this economic activity would not otherwise occur (3).

New bars, restaurants and other retail activity have followed these investments. In fact, citywide sales tax receipts jumped by over 20 percent from 1999 to 2001, despite an economic recession (4). This is largely attributed to the opening of the Xcel Energy Center, Science Museum and other downtown attractions.

In addition to the economic impacts, Saint Paul's investments have had a human impact. There is a growing vitality that extends to every neighborhood in the City. In Highland, the O'Shaughnessy Auditorium hosts cultural events throughout the year that attract thousands of people. On the East Side, a start-up theater group is working hard to get new artistic programming going at the once-vacant Mounds Theater. In the Midway, a new contemporary art gallery located in an old warehouse is drawing rave reviews from around the world.

BUT CONTINUED SUCCESS CANNOT BE TAKEN FOR GRANTED.

Despite its recent growth, Saint Paul's ACE sector is facing difficult times. Over the past two years, fiscal conditions have deteriorated significantly for non-profit arts groups nationwide. Saint Paul is no exception. A study of Saint Paul's groups for fiscal year 2001 showed that our city's ACE groups are undercapitalized and low on cash reserves. For the same year, 30 percent of these groups had an operating deficit (5).



This fiscal stress is the result of a “perfect storm” of conditions resulting from a weak economy. The recent recession impacted the ACE sector in five primary ways:

- Ticket sales and earned income declined as families experienced a reduction in disposable income due to job loss or reduction in pay,
- Corporate donations diminished as corporate earnings fell, — Endowment earnings suffered due to low interest rates and sagging returns on investments,
- Private fund raising suffered as individuals’ income and investments were hurt by the economy
- Public support dropped significantly as all levels of government dealt with large budget deficits.

Many ACE sector organizations threatened by budget problems have responded by cutting staff and — in some cases — programming.

While in a number of cases the City and private donors have attempted to fill the gaps, stress for Saint Paul’s ACE organizations remains — from the largest to the smallest.

Yet the situation is far from hopeless. Many of our institutions have a strong history and have developed a strong and devoted fan base. Furthermore, population in the East Metro is expected to grow by 35 percent from 2000 to 2030, to a total of nearly 1.5 million people (6). This rapid population growth provides an opportunity for Saint Paul’s ACE sector to develop new patrons.

In addition, economic stress often provides a catalyst for cooperation and innovation that might not have occurred otherwise. Non-tradition partnerships between for-profit entertainment and non-profit arts and cultural organization are being explored. ACE organizations have learned in the past few years that one of their greatest strengths is adaptability. Those that will survive will be stronger and leaner in the future.

In this context, Saint Paul has a unique opportunity to gain an edge within the region by proactively engaging and planning for the growth of its ACE sector. This plan aims to help Saint Paul adapt to a rapidly changing environment in arts and cultural economic development and manage the exceptional ACE sector Saint Paul has built over the past decade.



“**THE** arts, culture and entertainment sectors are critical to the economic vitality and livability of this region. Clearly, a community that offers these amenities provides a huge draw for companies that may want to do business and for employees who will want to live and work here”

Cynthia Leshner
Vice President and Chief Administrative Officer, Xcel Energy
Chair of the St. Paul Chamber of Commerce

Goals: WHAT SAINT PAUL MUST ACCOMPLISH TO **IMPROVE** AND **STABILIZE** ITS ACE SECTOR

This plan includes five primary goals for the ACE sector over the next decade:

1) Address the arts, cultural and entertainment interests and aspirations of all Saint Paul residents

The main benefit to a strong ACE sector is to make the city a vibrant place where people want to live, work and play. Saint Paul is a diverse community with people of many different ethnic, economic and cultural backgrounds. Research shows that residents of Saint Paul are more likely than residents of other cities to value arts and cultural programs (7). It is important that the benefits of a strong and vibrant ACE sector make the city a better place for all of those who live here.

2) Strengthen the role of the ACE sector in citywide economic development and promotion

As an industry with an annual impact of over \$600 million on Saint Paul's economy, the ACE sector should be exploited as an economic development tool. Our city's arts, cultural and entertainment amenities should be used as assets as Saint Paul competes with other communities for residents, job growth and investment. Giving the ACE sector a more prominent role in the city's development policy will help us use these assets most effectively.

3) Provide young people with access to a range of high quality arts and cultural education programs, from appreciation to professional training

Strengthening the opportunities for young people to learn about the arts will have many benefits. It will improve student achievement and give Saint Paul a more educated work force. It will enhance the community life of Saint Paul through a more engaged citizenry. It will give young people increased opportunities in the ACE sector and recognizes that appreciation for arts and culture often begin through being entertained. It will train future leaders and professionals for Saint Paul's ACE sector – giving the city a continuing edge in this growing industry.

4) Improve communication and coordination among ACE organizations and between the ACE sector and the broader community

Improved cooperation between ACE groups will allow them to plan for their shared future and to promote Saint Paul as a center for arts, culture and entertainment. More unified marketing and promotions will not only save costs, but strengthen the reputation of Saint Paul to ACE sector patrons through positive "branding" of the city.

5) Improve operations and strengthen earned and contributed revenues for ACE organizations

In order to adapt to challenging economic times, it is vital for ACE organizations to improve their revenue through fundraising and ticket sales. In fiscal year 2001, earned income provided half of all revenue for non-profit arts groups (8). The study attached in Exhibit B estimates the annual resource "gap" for non-profit ACE groups to be \$25 million annually (9). In addition to raising revenue, ACE groups should work together to save costs through better management and more efficient operations.

"THERE is, right now, tremendous focus and consensus on making even more of arts, culture, and entertainment as an essential asset to our city's economic development as well as quality of life. We've recognized the value of this sector, from individual artist to major entertainment businesses."

Jane Eastwood
Vice President
Marketing, Communication and Sales
Science Museum of Minnesota